

COLLECTIVE AGREEMENT

BETWEEN:

**NORTH 60° PETRO LTD.
HIGHWAY DIVISION**

(hereinafter referred to as the "Employer")
PARTY OF THE FIRST PART

AND:

TEAMSTERS LOCAL UNION NO. 31

(hereinafter referred to as the "Union")
PARTY OF THE SECOND PART

11699 (04)

Highway Agreement

**EFFECTIVE
JANUARY 1, 2007 TO DECEMBER 31, 2009**

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COLLECTIVE AGREEMENT

BETWEEN:

NORTH 60° PETRO LTD.
HIGHWAY DIVISION

AND:

TEAMSTERS LOCAL UNION #31

A. PREAMBLE

This Agreement is effective January 1, 2007 and represents all the terms and conditions which govern the relations between the Union, the Employer and the employees. No other terms and conditions, expressed or implied, are applicable or enforceable, except where further mutual agreements have been committed to writing by the parties and appended to this Agreement.

These provisions contained herein govern basic working conditions and methods of pay solely for line-haul drivers who are engaged in over-the-road runs extending more than one hundred sixty (160) kilometers from their base of operations within the Yukon Territory.

B. UNION RECOGNITION

The Employer agrees to recognize the Union as the sole collective bargaining agent for all employees and categories of employees referred to in the Certificate of Bargaining Authority issued by the Canada Labour Relations Board on May 24, 1979, unless otherwise provided herein.

C. INTERPRETATION

Whenever the masculine gender is used in this Agreement, it shall also be construed as meaning the feminine gender, if applicable. Similarly, whenever the singular is used, the same shall be construed as meaning the plural if the facts or context require.

D. PROTECTION OF RIGHTS

Section 1 - Human Rights

The parties agree that they will not discriminate on the basis of any prohibited grounds of discrimination as provided in the Yukon Human Rights Act; and hereby vest an arbitrator with the power to apply this legislation.

Section 2 -Valuing Diversity

The parties value the diversity that employees bring to the workplace and recognize such diversity can provide a competitive advantage.

Section 3 -Workplace Environment

The parties recognize the right of all employees to work in an environment free from discrimination, sexual or workplace harassment and to be treated fairly and with respect in the workplace. It is the intention of the parties to provide a workplace environment that is productive and promotes both the dignity and self-esteem of all employees.

- a. The prohibited grounds of discrimination include ancestry, ethnic background religion, age, gender, including pregnancy, and pregnancy related conditions; sexual orientation, physical or mental disability, criminal charges/record, political belief, association or activity, marital or family status.
- b. Where treatment of an employee is based on reasonable requirements or qualifications or if the criminal record/charges are relevant to the employment, it is not discrimination.
- c. Sexual Harassment means any unwelcome behaviour of a sexual nature that causes offense or humiliation to any employee or that might be perceived by the employee as placing a condition of a sexual nature on any employment relationship.
- d. Workplace Harassment means any unwelcome behaviour which creates an intimidating, threatening, or hostile work environment such that an employee's performance is impaired, the employment relationship is adversely affected or the employee's dignity or respect is denied.

ARTICLE 1

1.01 Union Security

It is agreed that as a condition of employment, each employee not now a member of the Union and all new employees shall become and remain a member in good standing of the Union within seven (7) days of his commencing employment with the Employer. The Employer shall not maintain in its employ at any time an employee covered by this Agreement who is not a member in good standing of the Union.

- 1.02 The Employer shall furnish to the Union a list of new employees and owner operators taken into employment by the Employer within fourteen (14) calendar days of their being hired or placed under contract and all such employees shall be added to the check-off list at that time.
- 1.03 Each new employee and owner operator, when hired by the Employer, shall sign Union application and authorization cards or be instructed by the Employer to contact the Union office, or shop steward, in branch terminals, in order to sign application and authorization cards provided by the Union, authorizing the Employer to deduct Union dues, initiation fee and assessments from the employee's earnings and remit same to the Union.
- 1.04 When additional employees and/or owner operators are required, the Employer will extend equal opportunity to Union members who meet the Employer's requirements and who apply for employment or have been referred to the Employer by the Union.
- 1.05 Except as otherwise provided for herein, supervisors and other employees outside the scope of this Agreement shall not perform the regular duties of employees

within the bargaining unit unless training or instructing an employee during the performance of his duties.

ARTICLE 2 - UNION ACTIVITY

2.01 Union Agents

Authorized agents of the Union will request and have access to the Employer's establishments for the purposes of investigating conditions related to Union contract clauses.

2.02 Shop Stewards

The Union shall appoint or elect Shop Stewards and shall notify the Employer in writing of the appointment or election. The Employer shall only recognize such Shop Stewards when notified in writing by the Union and shall not discriminate against them for lawful Union activity. Shop Stewards will suffer no loss of regular pay when processing grievances under Step 1, 2 and 3 of the Grievance Procedure during their regular working hours. The Employer will notify the Union prior to the dismissal of any Shop Steward.

2.03 Steward Time-Off

The Employer shall allow time off without pay to any employee who is serving on a Union committee or as a delegate providing all requests for time off are reasonable and do not interfere with the proper operation of the business, and provided forty-eight (48) hours written notice is given to the Employer by the Union specifying the length of time off.

2.04 Legal Picket Lines

It shall not be a violation of this Agreement or cause for discharge of an employee in the performance of his duties, to refuse to cross a legal picket line recognized by the Union. The Union shall notify the Employer as soon as possible of the existence of such recognized legal picket line.

2.05 Union Insignia

It shall not be a violation of this Agreement for an employee to post the Teamster's Union Label in a conspicuous place in the cab of the vehicle or equipment he is operating. The said label shall be in a size not in excess of three inches (3"0 by four inches (4")), and shall be attached to the place as designated for the insignia by the Company.

2.06 Union Industry Advancement Fund

The Teamsters Local Union No. 31 Union/Industry Advancement Fund shall be for the enhancement of all persons dependent upon any industry represented by Teamsters Local Union No. 31.

The Employer shall make contributions of five cents (\$.05) per hour for which wages are payable hereunder for each employee covered by this Collective Agreement.

Payment of said funds shall be made to the Teamsters Local No. 31 Union/Industry Advancement Fund by the 15th of the month following that to which they refer.

This payment will be independent and separate from any other payment made to Teamsters Local Union No. 31.

ARTICLE 3 - NO INTERRUPTIONS OF WORK

- 3.01 During the life of this Agreement, there shall be no lockout by the Employer and/or strike, sit-down, work stoppage or suspension of work, either complete or partial, for any reason by the Union.
- 3.02 The Union agrees, that in the event the Employer becomes involved in a controversy with any other union, the Union will do all in its power to help effect a fair settlement, and the Union will not participate in any sympathetic cessation of work or slow-down program while the controversy is being settled.

ARTICLE 4 - MANAGEMENT RIGHTS

- 4.01 The Union recognizes the exclusive right of the Employer to manage and direct the Employer's business in all respects in accordance with its commitments and to alter from time to time rules and regulations to be observed by the employees, which rules and regulations shall not be inconsistent with this Agreement.
- 4.02 (a) The Employer will always have the right to hire and to discipline, demote or discharge employees for proper cause. Where a demerit point system is not applicable, an employee will receive a copy of any Written Reprimand or Warning Letter placed on his file with a copy to the Union. Such written reprimand or warning letter shall become a permanent part of the employee's work history. However, the incident causing such reprimand or warning letter will not be taken into account to compound other disciplinary action taken against the employee if the incidents are unrelated (not caused by the same underlying performance deficiency) and if such written reprimands or warning letters are more than thirty (30) months old.
- (b) The Employer reserves the right to establish qualifying standards and/or educational requirements for each job classification, provided such standards and requirements are not capricious, arbitrary, or discriminatory. The Employer shall, in its sole discretion, determine whether an individual possesses the necessary qualifications and meets the job requirements.
- 4.03 Nothing contained in this Agreement will be deemed to obligate the Employer to continue to operate any of its plants, properties or any parts thereto.

ARTICLE 5 – CONTRACTING OUT

- 5.01 The Highway Division will not generally sub-contract out work currently being performed by actively employed drivers except in emergencies or where qualified drivers are not available and under special circumstances, with notice to the Union.

ARTICLE 6 - NO DISCRIMINATION BETWEEN EMPLOYERS

- 6.01 The Union undertakes that no terms which are more advantageous than those contained herein will be extended to or agreed with any competitor of the Employer without first notifying the Employer of such terms.

ARTICLE 7 - DEFINITION OF EMPLOYEES

7.01 Regular Employee

A regular employee shall be considered as such when:

- (a) He has completed his probationary period.
- (b) He makes himself available to the Employer for full time employment or as he may be needed.
- (c) He has no other outside employment which will in any manner interfere or reflect upon his employment with the Employer.
- (d) He is fully qualified in regard to the Employer approved physical examinations or other normal Employer requirements.

7.02 Probationary Employees

- (a) All new employees will be considered probationary employees for the first ninety (90) days.
- (b) Probationary employees shall be on trial to determine their suitability for regular employment. The Employer may dismiss a probationary employee if it does not find him suitable for regular employment, or in the case of casual employees, temporary employment. There shall be no responsibility on the part of the Employer in respect of the employment of such employees, should they be terminated for any reason during the probationary period.
- (c) Regular full time employee status commences only after the employee has been advised in writing by the Employer that he has been granted such employee status or at the completion of time requirements provided in Article 7.02(a).
- (d) No probationary employee shall attain seniority until he is granted regular full-time status but once he is granted such status, his seniority shall date from the commencement of his probationary period.
- (e) A probationary employee may apply for other positions, but need not be accepted.

7.03 Casual Employee

- (a) For the purpose of this Agreement, a casual employee is defined as a person hired for work that is not of a continuing nature, such as
 - i) temporary positions created to cover absences due to employee vacations, illness, injuries, or leaves of absence
 - ii) temporary positions created to supplement the regular employee work force to provide additional help of an incidental or short-term nature to cover peak work periods or sudden but temporary surges in demand for Company services.
- (b) A casual employee who works for three hundred and eighty-four (384) hours in any ninety (90) day calendar period shall be considered to have completed his probationary period and becomes a regular full-time employee.

- (c) Each time a casual employee is paid wages he shall, in addition to his regular pay, receive payment for vacation pay calculated at four (4) percent of his regular gross pay.
- (d) Casual employees shall not be used for the purpose of depriving regular full-time or regular part-time employees of their normal hours of work.
- (e) Casual employees are covered by the terms of this Agreement except for the following Articles:
 - Article 8 - dealing with Seniority lists & rights for regular employees
 - Article 9 - dealing with Layoffs of regular employees
 - Article 10 - dealing with Recalls of regular employees
 - Article 29 - dealing with Unpaid Leaves of Absence
 - Article 30 - dealing with Paid Leaves of Absence
 - Article 33 - dealing with Sick Leave Benefits
 - Article 34 - dealing with Health and Welfare Plans
 - Article 37 - dealing with paid annual Vacation
- (f) Regular part-time employees shall not be used in conjunction to eliminate a full-time position.

7.04 **Working Agent**

A Working Agent at small and/or remote Employer maintained Terminals shall be considered as:

- (a) He shall be an employee of the Employer.
- (b) He shall be used by the Employer only at such small and/or remote locations where the Employer's volume will not support, and the Employer does not employ, more than four (4) employees including the Working Agent.
- (c) He shall be a member of the Union, but otherwise excluded under the terms and conditions of this Agreement except that the monthly or annual monetary remuneration or benefits to him by the Employer shall be in an amount resulting in not less than he would otherwise receive under the terms of this Agreement.
- (d) He shall be on a monthly salary as described.
- (e) His services shall not be utilized to deny other employees of their equitable share of overtime.
- (f) If, as and when terminals are closed down or partially closed down or amalgamated or moved to another location, the seniority of such employees shall immediately become a subject of discussion and failure of the parties to agree may be submitted to the grievance procedure hereinafter provided for a final decision.

7.05 **Owner Operator and/or Dependent Contractor**

- (a) An Owner Operator and/or Dependent Contractor shall personally and exclusively operate the equipment supplied pursuant to his agreement with the Employer excepting that such equipment shall be operated by an assigned operator of the Dependent Contractor's choice at Union Drivers rates provided there is a mutual agreement between the Dependent Contractor and the Employer, where the equipment requires more than one (1) operator, and, upon request of the Dependent Contractor, in instances where the Dependent

- Contractor is absent because of vacations, illness, accident or on leave of absence for reasons acceptable to the Employer.
- (b) There shall be a base fleet of three (3) Employer owned highway units. After the base fleet of three (3) Employer owned trucks has been established and the Employer increases or reduces the number of operational highway units, such increases or reductions shall be made on the basis of one (1) Employer unit to one (1) dependent contractor unit. However, the foregoing shall not compel the Employer to engage or retain the services of dependent contractors nor shall the replacement of a dependent contractor with another dependent contractor be a consideration. At no time during this Agreement shall there be fewer than three (3) Employer units while there are any Owner Operators employed.
 - (c) The Employer, after establishment of the said base fleet relationship, may, on a short-term basis of not more than six (6) month's duration, hire Owner Operators for additional business not ordinarily performed by Company employees. The Employer will advise the Union of such short-term lease. This term lease may be extended as agreed between the Parties.
 - (d) All Owner Operators shall be bound by the maximum hours of work as prescribed by the Yukon Employment Standards Act and/or the U.S. Department of Transport in the relevant Safety Code, the Canadian Motor Vehicle Safety Standards and this collective agreement.
 - (e) A separate seniority list shall be posted at the Terminal showing the names and truck numbers of all Dependent Contractors. A copy of such list shall be forwarded to the Union forthwith.
 - (f) When complying with (c) above, the Employer will not engage the services of an Owner Operator to replace or displace any regular employee.

ARTICLE 8 - SENIORITY

8.01 Company seniority and unit seniority are defined as follows:

- (a) Company seniority means the date a regular full-time employee started his continuous full-time employment with the Employer.
- (b) Unit seniority means the date a regular full-time employee started his continuous full-time employment within the unit.

8.02 The units covered by this Collective Agreement shall be as follows:

- Unit #1 All North 60° Petro Ltd. employees employed in Whitehorse
- Unit #1A All North 60° Petro Ltd. employees employed in Dawson
- Unit #1B All North 60° Petro Ltd. employees employed in Watson Lake

8.03 The Employer shall maintain a seniority list for regular full-time employees only. Such list shall contain the name of the employee, his company seniority date and his unit seniority date.

8.04 These seniority lists will be posted in each unit location in the months of January, May and September, and copies of same shall also be provided to the Union. Seniority dates will be subject to question by means of a written protest submitted by the employee to the Union and to the Employer's Human Resources Department within a period of thirty (30) calendar days from the date of posting, and if no

dispute arises during this period, the posted seniority dates will be deemed to be correct.

8.05 In the event of identical unit seniority dates, company seniority will govern.

8.06 Retention of Seniority Upon Promotion

When an employee within the bargaining unit accepts a position with the Employer which is excluded from the bargaining unit, he may retain his seniority for a maximum of one hundred and twenty (120) calendar days within the former unit. Notice shall be given to the Union, in writing, prior to the employee leaving the bargaining unit.

8.07 At the end of this period of one hundred and twenty (120) calendar days, the employee must exercise his seniority rights by returning to his former unit or relinquish all such seniority rights. Should the employee return, or be returned, to the bargaining unit for any reason, he must remain within the unit for a minimum of one hundred and twenty (120) calendar days prior to exercising such privilege again.

8.08 Termination of Seniority and Employment

A regular employee will lose all his seniority rights and his employment is deemed to be terminated where any of the following occurs:

- (a) Voluntary quitting or leaving the Employer.
- (b) Discharge for just and reasonable cause.
- (c) Retirement.
- (d) If an employee is absent without leave for three (3) consecutive working days, unless a reason satisfactory to the Employer is provided immediately before or at the expiration of three (3) consecutive working days unless circumstances beyond the employee's control prevent the employee from submitting a reason during that period.
- (e) If an employee does not return and report for work on the day following completion of his approved leave of absence, unless there were extenuating circumstances beyond the employee's control preventing the employee from returning to work and he notified the Employer by mail, E-mail or telephone directly to the immediate supervisor prior to the expiration of his approved leave of absence.

8.09 Termination of Seniority and Employment Due to Layoff

In the event of a layoff, the employee shall maintain his seniority for the following periods:

- i. three (3) months in the case of an employee having less than twelve (12) months' seniority;
- ii. six (6) months in the case of an employee having over twelve (12) months' but less than twenty-four (24) months' seniority;
- iii. twelve (12) months in the case of an employee having more than twenty-four (24) months' seniority.

ARTICLE 9 - LAYOFFS

- 9.01 When a layoff is necessary within a unit, no regular employee in the job classification where the layoff is required will be laid off while a part-time employee is working. Layoffs of regular employees will be implemented in reverse order of company seniority.
- 9.02 A regular part-time employee who is subject to layoff may bump a probationary employee or other regular employee in any job classification provided that the job classification is within the same or lower wage group and provided further that:
- (a) The employee has greater company seniority than the employee he wishes to bump; and
 - (b) The employee possesses the necessary qualifications, skills and abilities to properly and efficiently fulfill all of the duties, responsibilities and requirements then current in the job classification into which he wishes to bump; and
 - (c) The employee shall take that job on a trial basis of up to twenty (20) working days during which he must demonstrate that he can properly and satisfactorily perform the job to the satisfaction of the Employer.
 - (d) He shall return to his former position when work becomes available.
- 9.03 A regular full-time employee who is subject to a layoff and cannot hold a position within his own unit will have the right to apply for any posted vacant position or bump into any position in any unit currently held by a probationary employee or another regular employee provided that:
- (a) The employee has greater company seniority than the employee he wishes to bump; and
 - (b) The employee possesses the necessary qualifications, skills and abilities to properly and efficiently fulfill all of the duties, responsibilities and requirements then current in the job classification into which he wishes to bump; and
The employee shall take that job on a trial basis of up to twenty (20) working days during which he must demonstrate that he can properly and satisfactorily perform the job to the satisfaction of the Employer.
 - (d) He shall return to his former position when work becomes available.
- 9.04 Employees who wish to exercise their rights under Article 9.02 or 9.03 must apply to their respective Division Manager (Petroleum, Highway or Office), no later than forty-eight (48) hours from the time at which they have been notified that they have been laid off or bumped, or they are deemed to have forfeited their rights under Articles 9.02 and/or 9.03.

ARTICLE 10- RECALLS

- 10.01 The Employer shall recall the employees commencing with the employee(s) with the greatest company seniority and possessing the necessary qualifications, skills and abilities to properly and efficiently fulfill all of the duties, responsibilities and requirements then current in the job classification.
- 10.02 It is the responsibility of each employee on Layoff to keep the Division Manager informed of his current mailing address, E-Mail address and phone number by written communication:

- (a) Notice of recall may be made by telephone to the employee, E-Mail, registered mail or by direct personal contact.
- (b) An employee who is laid off and fails to return to work when given seven (7) calendar days' notification to return to work shall be deemed to have abandoned his employment with the Employer.

ARTICLE 11 - JOB VACANCIES AND JOB POSTINGS

- 11.01 Where the Employer decides to fill a regular job vacancy or to create a new regular position, it will give present regular employees every reasonable opportunity to apply by posting the position in all locations (listing job classification, unit, and wage rate) for a minimum of seven (7) days in a conspicuous place in each unit. The Employer is not required to consider applications received from bargaining unit employees after the posting period has expired.
- 11.02 Positions will be filled on the basis of qualifications, skills, ability and seniority. Provided that the applicant meets all of the qualifications, skills and abilities required, preference will be given to the employee with the greatest seniority.
- 11.03 Any current employee selected to fill a vacancy or a new job shall be given a trial period of up to thirty (30) working days to demonstrate that he can satisfy the requirements of the job to the satisfaction of the Employer.
- 11.04 Should the employee be unable to satisfy the requirements of the job, or should he decide that he does not want to continue in the new job within the aforementioned trial period, then he may be returned to his former job with their original seniority restored without interruption, and to the wage rate he previously earned in the former job, plus any increments to which he would have otherwise been entitled, had he not been promoted.
The Employer shall have the right to require all other employees who changed job positions as a result of the employee's change of job, to move back into the job positions and wage rates (plus any applicable increments) which they occupied previously.

ARTICLE 12 - PAYMENT OF WAGES

- 12.01 **Paid for Time**
Paid time shall commence from the time that the employee is ordered to report for duty or registers in, whichever is later, until he is effectively released from duty.
- 12.02 The rates of remuneration as listed in this Agreement are considered as minimum rates and shall not preclude payment of premium rates at the discretion of the Employer.
- 12.03 **Pay Period**
All regular employees shall be paid not less frequently than every other Thursday all wages earned by such employees to a day not more than fourteen (14) days prior to the day of payment (payment defined as cheque, or direct deposit to the employee's bank account).

The pay period shall commence on Sunday at 12:01 a.m. All pay advices shall be available at 8:30 a.m. every other Thursday at the employee's place of employment. All other cheques due to an employee shall be issued (or direct deposited to the employee's bank account) at the employee's place of employment except termination cheques.

12.04 Pay Statement

The Employer shall provide each employee with a separate or detachable written or printed itemized statement in respect of all wage payments made to such employee. Such statements shall set forth the dated pay period, total hours worked or paid for, the total miles driven (where applicable), the total overtime hours worked, either at time and one-half (1-1/2) or double time the rate of wages applicable, and all deductions made from the gross amount of wages.

12.05 Error in Pay

When less than one (1) day's time has been missed, it will be paid on the next pay day. All other time missed, will be paid forthwith after being brought to the Employers attention, provided it was the Employer's error. If it was not the Employer's error, the time missed shall be paid on the next pay day.

12.06 Injury on the Job

When an employee sustains a personal injury while on duty which prevents him from completing his shift and the injury requires medical care, the employee will be compensated for the full shift on that day.

ARTICLE 13 -SINGLE MAN OPERATIONS

13.01 The regular hours of work for employees engaged in single man operation shall be ten (10) hours per trip. The Employer shall pay for all time driving and working in excess of the regular hours at the overtime rate as specified hereafter and shall continue at the overtime rate until a rest period of eight (8) hours is provided. This rate does not apply to the layover and wait time but is calculated on the driving and work time only at one-half (1/2) the hourly work time rate.

13.02 No single man shall be called for dispatch until he has been *off* duty for eight (8) hours, excluding call time, after completing a trip at the home terminal. At points away from the home terminal, the driver shall be entitled to up to eight (8) hours, including call time, of uninterrupted rest. Drivers held and/or waiting at a point other than the home terminal in excess of the maximum rest period will be paid wait time for hours in excess of the full rest period.

ARTICLE 14 -SLEEPER CAB OPERATION

14.01 Sleeper cab operation shall be performed by two (2) drivers in trucks properly equipped with sleeper berths. The Employer shall designate the home terminal of each driver team and designate the routes to be traveled on each tour from terminal to destination and return and each driver shall be paid for driving one-half (1/2) the mileage the vehicle traveled in making the tour.

14.02 Driver Teams

Once driver teams are established, it is understood that they are not to be separated unless mutually agreed to by the Employer, the Union and driver team involved, except in case of emergency or reduction in forces or temporary training. Such mutual agreement shall not be unreasonably withheld.

14.03 Only two (2) men shall be permitted in sleeper cab equipment at any time, except in case of emergency or when a new type of equipment is put into operation. In no event shall a driver supervisor or other authorized personnel be in the cab in addition to the two (2) drivers, for more than three hundred (300) miles.

14.04 No driver under this Agreement shall be placed on layover if routed on any tour with outbound mileage under five hundred (500) miles.

14.05 The Employer may use a sleeper cab driver to effect a single man operation but will not do this when it adversely affects the single man board or when it creates excess layover time for sleeper cab drivers.

14.06 (a) Except in cases of emergency, sleeper cab drivers shall be entitled to have a minimum of four (4) hours off duty excluding call time after completion of their tour.

(b) No sleeper cab driver shall be allowed to take a solo trip of more than four (4) hours until he has had eight (8) hours rest since he was last on duty.

14.07 Bedding and fresh linens for sleeper cabs shall be furnished and maintained by the Employer, when requested by the driver.

ARTICLE 15 - TRANSFERRING OVER-THE-ROAD DRIVERS

15.01 (a) When a branch, terminal, division or operation is closed or partially closed and the work of the branch, terminal, division or operation is transferred to another branch, terminal, division or operation in whole or in part, an employee at the closed or partially closed down branch, terminal, division or operation shall have the right to transfer at the Employer's expense to the branch, terminal, division or operation into which the work was transferred, if work is available there.

(b) Such employees will be dovetailed into the seniority list as of the date they first became employees in their classifications.

(c) Whenever a man is transferred at the request of the Employer, his reasonable moving expenses shall be borne by the Employer.

(d) For the purpose of this section, "expenses" is defined to mean the moving expenses of normal household goods and chattels.

ARTICLE 16 -WORKING CONDITIONS FOR LINE HAUL DRIVERS

16.01 Drivers may be permitted to load or unload freight or petroleum products where such loading or unloading is in accordance with past practice with regard to petroleum products or where such loading or unloading is made outside the normal

hours when the terminal is operated or when contractual terminal employees are not in the terminal. Drivers may also deliver full loads directly to the customer's depot.

16.02 Transport Operation on Winter Road

- (a) Except under snow blockade or other emergency conditions, the maximum driving or working hours, in off highway operations, will not exceed sixteen (16) hours without a rest period.
- (b) Where sleeping accommodation is not available, trucks equipped with sleeper bunks will be considered as proper accommodation when outfitted with blankets and sheets, except when the driver elects to use alternative bunk covering provided by him.
- (c) Drivers of trucks without sleeper bunks must use such sleeping accommodation as available between eight (8) and sixteen (16) hours after their last place of rest. Drivers must not pass the last available sleeping accommodation within a sixteen (16) hour driving period under normal conditions.
- (d) When a driver has completed his rest period and resumes driving and/or working, the first eight (8) hours will be at straight time rates.
- (e) Trucks dispatched on winter road operation will be equipped with survival kits.
- (f) Drivers operating off highway in excess of ten (10) hours from their last off highway rest period will receive five dollars (\$5.00) in addition to meals supplied enroute.

ARTICLE 17 - DISPATCH

17.01 All drivers and operators of equipment shall be dispatched according to agreed upon local dispatching rules.

ARTICLE 18 - MILEAGE RATES

18.01 Mileage rates are calculated to include compensation for duties performed by an employee in driving, checking equipment, hook-up or unhooking, post and pre-trip preparation and processing of relating documents and forms.

18.02 The Territorial, Provincial and/or official State mileages will be used as a guide to determine the number of miles driven. The authority to determine the number of miles driven shall be the Departments of Highways of the various States, Territories and/or Provinces.

18.03 Employees on student trips will be paid two (2) cents per mile less than the appropriate rate shown for single drivers in Appendix "B". The driver used to check out the student driver will receive Fifty (\$50.00) dollars plus two (2) cents per mile in addition to the prevailing single driver rate as shown in Appendix "B" when checking out a student driver.

ARTICLE 19 - TRIP RATES

19.01 All trips shall be paid for at the mileage rate for miles driven except that the hourly rate shall apply in the event that the amount earned under the applicable mileage rate provides less than the hourly rate for the total driving time on a particular trip.

The onus is upon the driver to question the rate of pay by marking his trip and pay report accordingly. Drivers shall report to the Employer within thirty (30) days of the trip any discrepancies in pay and shall be paid accordingly, this being the final adjustment.

- 19.02 If a sleeper team is used on a load that is restricted to a speed of less than thirty-five (35) miles per hour by condition of a government issued permit for oversize and/or overweight loads, the driving team shall receive one and one-half (1-112) times the hourly work time rate stipulated in Appendix "B" divided between the drivers for that portion of the tour which is so restricted. It shall be the responsibility of the drivers to claim such hourly rate by marking their pay claim accordingly.
- 19.03 Runs which include both highway miles and off-line bush miles will be paid for in the following manner: mileage rates for main highway miles and hourly rates for bush miles.
- 19.04 Calculation of overtime shall be as follows:
- (a) On trips made entirely on highway, overtime shall be paid after sixty (60) hours driving in a work week (Saturday midnight to Saturday midnight) at one and one-half (1 ½) times the straight time hourly work time rate and shall continue until a rest period of eight (8) hours is provided. This includes all work time as defined in Article 21 of this Collective Agreement.
 - (b) On trips made entirely on bush roads, overtime shall be paid after eight (8) hours driving and work time at one and one-half times (1-112) straight time hourly work time rate and shall continue until a rest period of eight (8) hours is provided.
 - (c) On trips which include both highway miles and bush miles, overtime shall be paid after ten (10) hours driving (mile or hourly) and work time (driving or hourly) at one and one-half (1-112) times the straight time hourly work time rate and shall continue until a rest period of eight (8) hours is provided.
- 19.05 Where a driver is required to work on a Statutory Holiday, the trip rate herein shall not apply and the driver will be paid in accordance with Article 37.06 using the driver's hourly rate.

ARTICLE 20 - BOBTAILING

- 20.01 Driving of tractor without trailer shall be paid on the same basis as driving of tractor-trailers.
- 20.02 If hostlers are otherwise employed and tanker, or tanker-pup units are ready for loading, drivers of the units that are standing by waiting to be dispatched may load the units. Drivers so employed will receive their regular work time rates.
- 20.03 Whitehorse Local delivery driver's limits shall be restricted to a 120 mile radius except for emergency deliveries and when regular drivers are not available.

ARTICLE 21 - WORK TIME

- 21.01 Work time shall include, but not be limited to, loading, unloading, chaining and unchaining, repairs to equipment and time spent on ferries or boats.
- 21.02 Fueling at company pumps and key pumps will be included as work time when the driver performs the function.

ARTICLE 22 - WAIT TIME

- 22.01 For all time waiting to load or unload, waiting for equipment to be repaired, waiting for roads to be cleared and waiting at turn-around points on single man operations, where there are public facilities and conditions available (e.g. restaurants, coffee shops, motels, etc.) to make it safe and possible that the driver does not have to remain in the equipment, with a maximum of eight (8) hours pay for waiting time in each eighteen (18) hour period.

Wait time is clarified as follows: Wait time is not accumulative. For the purposes of determining wait time pay, each stop shall be considered a separate waiting period. In no event shall wait time pay exceed eight (8) hours for each stop in any eighteen (18) hour period. When a driver is held more than one day, he shall receive pay for the first eight (8) hours in each eighteen (18) hour period.

ARTICLE 23 - TIME LOST DUE TO DELAYS

- 23.01 All time lost due to delays as a result of overloads or certificate violations involving federal, state, territorial, provincial or city regulations, shall be paid for at the regular applicable hourly rate in this Agreement. To the best of his ability, it shall be the duty of the driver to ascertain that he is not hauling an overload, and to ascertain that he has all the necessary and required licenses, certificates and permits before leaving the Employer terminal provided, however, that the Employer shall arrange for all permits to be made available to its employees.
- 23.02 When a driver or drivers are required to stay with equipment it shall be considered work time and shall be paid for as such.

ARTICLE 24 - LAYOVER

- 24.01 In the event that drivers are required to lay over during any one round trip away from their home terminals, they shall be compensated for layover time as follows; it being understood that layover time shall not be cumulative, but shall mean only one layover per trip:
- (a) For the first ten (10) hours of each layover period - No pay
 - (b) For the next eight (8) hours - At the applicable rate
 - (c) For the next ten (10) hours - No pay
 - (d) For the next eight (8) hours - At the applicable rate
 - (e) And continuing on the same basis for each eighteen (18) hour period of continuing layover.

24.02 The layover point is to be designated on a driver's original orders prior to dispatch from point of origin of trip, save and except in the case of accident or breakdown, whereby the layover point may be extended to a point beyond the original designated layover point.

24.03 The Employer shall not require any driver to lay over unnecessarily.

24.04 When drivers arrive at a layover point they are to be placed on layover or will receive wait time.

ARTICLE 25 - REPORTING NOTICE

25.01 Where notice has been given to any person who answers the call at the telephone number listed by the driver with the Employer, that notice shall be deemed to be valid notice to the driver.

25.02 Where the dispatcher(s) has attempted without success to make contact with the driver by calling the specified telephone number a minimum of three (3) times within a period of thirty (30) minutes, the driver will be deemed to be unavailable to report to duty and will not be eligible for "runaround" pay pursuant to Article 26.

ARTICLE 26 - RUNAROUND

26.01 When a driver is available but not dispatched in proper order under agreed upon local dispatching rules between the Employer and the Union, he shall be paid at the actual time of departure on a trip and/or tour, with a maximum of ten (10) hours at the applicable work rate for the initial twenty-four (24) hours and continuing on the basis of the first ten (10) hours in each twenty-four (24) hour period thereafter at the applicable wait time rate.

26.02 Notwithstanding Article 39.02, any grievance alleging an improper or unfair denial of "runaround" pay must be presented to the Employer in writing within five (5) days of the date on which the driver was allegedly available but not dispatched in proper order. The burden of proof shall be on the employee to show that he was available at his listed telephone number at the time and date in question.

26.03 For the purpose of this Agreement, the word "trip" will be used when referring to single man operations. A single man trip is considered from point of dispatch to point of rest, layover or book-off.

26.04 For the purposes of this Agreement, the word "tour" will be used when referring to sleeper-cab operations, and shall mean the period between departure from and return to home terminal.

ARTICLE 27 - MINIMUM PAY GUARANTEES

27.01 When a driver reports in accordance with an established reporting time and no work is provided, he will receive a minimum of four (4) hours pay at the hourly work time

rate unless he has been notified at least two (2) hours ahead of the regular reporting time that no work will be available.

- 27.02 When a driver is called in and reports for duty, he shall be guaranteed a minimum of four (4) hours work and/or pay at the hourly work time rate, if no work is available. If he works in excess of four (4) hours, he shall be guaranteed six (6) hours work and/or pay, and if he works in excess of six (6) hours, he shall be guaranteed eight (8) hours work and/or pay at the hourly work time rate for the trip or any portion thereof.

ARTICLE 28 - MAINTENANCE OF EQUIPMENT

- 28.01 It is to the mutual advantage of both the Employer and the employee that employees shall not operate vehicles which are not in a safe operating condition.
- 28.02 The Employer will not require employees to operate equipment on public streets, highways, or thoroughfares that is not in compliance with the appropriate provisions of the law dealing with safety requirements on mobile equipment (i.e., brakes, steering, signal lights or other lighting equipment).
- 28.03 It shall be the duty of the employees to report in writing on the appropriate forms of the Employer, promptly, but not later than the end of their shifts, trips or tour, all safety and/or mechanical defects on the equipment which they have operated during that shift, trip or tour.
- 28.04 It shall be the obligation of the Employer to direct the repair as necessary to conform with the safe and efficient operation of that equipment. In the event repairs cannot be effected immediately, the equipment will be correctly identified and kept out of service until repaired.
- 28.05 Bulk Heads
Tractor or trailers being used to transport freight which could slide toward the cab of the truck under certain traffic conditions, will be equipped with a suitable barrier to protect the operator of the vehicle.
- 28.06 A driver may obtain information, upon request, from the Dispatch Office regarding repairs carried out on his equipment in the preceding thirty (30) days.
- 28.07 Truck and trailer bodies shall have installed steps or devices to allow reasonable access to the body. I.C.C. rear bumpers and stirrup steps for side doors on the over-the-road line equipment shall be considered as reasonable access.
- 28.08 In order to provide adequate vision front and rear, trucks and tractors will be equipped with heaters and mirrors. Said mirrors to be of a size not less than six (6) inches by twelve (12) inches, or the equivalent on some smaller trucks. All newly purchased highway tractors will have heated mirrors and power steering. All trucks and tractors shall have heated defrosters.

28.09 All line equipment including owner operated equipment will be equipped with tachographs or speedographs and engine retarders. However, a malfunction of tachograph shall not be a reason for canceling a trip or returning to shop unless approved by management. Any proven tampering with tachograph and/or speedograph will result in disciplinary action to the person responsible.

ARTICLE 29 - UNIFORMS AND PROTECTIVE CLOTHING

29.01 The Employer agrees that if an employee is required to wear any kind of uniform as a condition of employment, such uniform shall be furnished and maintained free of charge by the Employer. Such uniform shall bear a Union label.

29.02 In wet weather or mud conditions, the Employer shall supply proper wet weather apparel as required. When an employee requires wet weather apparel, and none is available from the Employer, he shall receive double the applicable rate of pay while actual work is being performed.

29.03 Any employee, physically handling substantial quantities of meats, hides, creosote items, spun glass, lamp block, barbed wire, acids, bulk petroleum products, calcium chloride, ore or soda ash (or any other toxic or noxious chemicals) shall be provided where required, with coveralls, rubber or leather aprons, smocks, gloves, rubber boots, hard hats, safety glasses, breathing respirators and/or ear protectors where needed to perform the job efficiently and safely.

29.04 The Company shall provide the following clothing to employees who are distributing and handling petroleum products, which shall be worn during all working hours.

Summer Jacket – one Winter Jacket - one

All clothing will be replaced on an as needed basis but not more than once a year. Laundering of this clothing shall be each employee's responsibility.

If, due to normal usage, an employee's clothing becomes no longer useable or presentable, the employee shall present the used clothing to his supervisor for replacement.

If negligence or willful destruction is determined the employee is responsible to pay the employer for the clothing. When an employee terminates employment all currently used coveralls, jackets, and winter coveralls shall be turned back to the employee's Supervisor. If an employee fails to do so, or elects to keep the clothing, payment for said clothing shall either be made by the employee or a deduction will be made from his final pay.

29.05 Line Haul Drivers shall be provided with two (2) pairs of regular coveralls and one (1) pair of winter coveralls. These will be cleaned weekly and the cost will be borne by the Employer; however, any willful or negligent damage to the coveralls will be charged to the employee. If additional clean coveralls are required they will be issued.

29.07 Any employees who are required to wear steel toed work boots, by Workers' Compensation, the employer will replace them annually at a maximum cost of \$200.00.

ARTICLE 30 - UNPAID LEAVES OF ABSENCE

30.01 When the requirements of the Employer's operations permit, any regular employee upon written application to the Employer with a copy of said application to the Union, may, if approved by the Employer, be granted an unpaid leave of absence, in writing (with a copy to the Union) for a period of up to thirty (30) calendar days. Following consideration by the Employer, approval or rejection is to be given in writing, with a copy to the Union within thirty (30) calendar days and if approved, such approval may not be withdrawn except by mutual consent of the employee and the Employer. Leaves of absence up to four (4) days will not be subject to the provisions of Article 38.13.

30.02 Such leave may be extended for additional periods of thirty (30) calendar days when approved by the Employer and the Union (in writing) and seniority will accrue during such extension.

30.03 Any employee on leave of absence who engages in gainful employment without prior written permission from both the Employer and the Union shall forfeit his seniority and his name will be stricken from the seniority list and he will no longer be considered as an employee of the company.

30.04 An employee's request for leave of absence for compassionate reasons shall not be unreasonably denied, but he may be required by the Employer to substantiate the reason before returning to work. Any violation will be subject to disciplinary action.

30.05 Subject to Article 34.04 an employee on a leave of absence who wishes to retain protection under the Health and Welfare Clause of the Agreement (excluding Weekly Indemnity) must make arrangements with the Employer to continue with the payment required and must deposit with the Employer sufficient funds to cover the premiums while on leave of absence, said amount to be left with the Employer prior to the commencement of the leave of absence. Retention of protection under this section is subject to the insurer's agreement that an employee on leave of absence will be covered if the appropriate premiums are tendered to cover the leave of absence.

30.06 An employee who has been elected or appointed to work for the Local Union will be granted a leave of absence by the Employer and the employee may retain seniority to a maximum of one (1) year.

ARTICLE 31 - PAID LEAVES OF ABSENCE

31.01 Bereavement Leave

When death occurs to a member of a regular employee's immediate family, the employee will be granted, upon request, an appropriate leave of absence and if he attends the funeral he shall be compensated at his regular straight time hourly rate

for hours lost from his regular schedule on any of the days prior to the funeral, the day of the funeral and the day after the funeral for a maximum of five (5) days. When the funeral is held outside the Yukon Territory, seven (7) days bereavement leave will be paid.

Members of the immediate family are defined as the employee's spouse, common-law spouse, mother, father, sons and daughters, brothers, sisters, mother-in-law, father-in-law, employee's grandparents and legal guardian.

Funeral leave is not payable when the employee is on unpaid leave of absence, or layoff, or for days falling outside the employee's scheduled work week or when he is receiving benefits under the health and Welfare Plan or Worker's Compensation.

31.02 **Jury Duty**

Any regular employee who is required to perform jury duty or is subpoenaed to appear as a witness in a court action on any day on which he would otherwise have worked will be reimbursed by the Employer for the difference between the pay received from the jury duty, or witness fee, and his regular straight time hourly rate of pay for his regular scheduled hours of work. It is understood that such reimbursement shall not be for hours in excess of eight (8) per day or forty (40) per week, nine (9) hours per day or forty-five (45) per week for line drivers, less pay received for jury duty, or witness fee, whichever applies. The employee will be required to furnish proof of jury service and jury duty pay received. Any employee on jury duty, or subpoenaed as a witness, shall, subject to this provision, make himself available for work before or after being required for such duty, whenever practicable.

The preceding provision will have no application to an employee on unpaid leave of absence, layoff, annual vacation or for days falling outside the employee's scheduled work week or when receiving benefits under the Health and Welfare Plan or Worker's Compensation.

31.03 **Maternity/Child Care Leave**

- (a) Maternity Leave of absence shall be granted to an employee who is pregnant shall be granted, without loss of seniority or other privileges. Leave may commence no earlier than eleven (11) weeks prior to the expected date of delivery and ends seventeen (17) weeks following the actual delivery date.
- (b) Child care leave is allowed if an employee assumes actual care and custody of a newborn or adopted child.
- (c) Two (2) employees may take a total of up to fifty-two (52) weeks combined maternity and/or child care leave.

In order to qualify for the above provisions, an employee must have worked for the Company for six (6) months prior to the commencement of the leave of absence.

ARTICLE 32 - SAFETY PRECAUTIONS

32.02 The Employer shall provide first aid provisions in accordance with the Worker's Compensation Act.

ARTICLE 33 - HEALTH AND SAFETY PROVISIONS

33.01 Medical Examinations

- a) The Employer may request a medical examination by a doctor selected by the Employer to verify disability, to verify fitness to return to work, or for any other legitimate business requirement.
- b) Any Employer requested medical examination shall be promptly complied with by all employees, provided that the Employer shall pay the costs of all such examinations and provided further that if such examination must take place during the employee's regularly scheduled work day, the employee shall suffer no loss of pay.
- c) If such an examination is arranged for an employee's day off, a regular employee shall be entitled to a maximum of two (2) hours wages at straight time pay, except in instances where an employee is about to return to work or has just returned to work following illnesses of disability, in which case no compensation shall be paid to the employee for the medical examination.
- d) If such an examination is arranged for by the Employer after the employee's scheduled shift, a regular employee shall be entitled to a maximum of two (2) hours wages at straight time pay.

33.02 Where a Medical Examination is required for License upgrading as referred to in Article 40.01 of this Agreement, said medical examination is subject to the terms and conditions of 33.01.

ARTICLE 34 - SICK LEAVE BENEFITS

34.01 Effective January 1, 1996, all regular employees shall accumulate paid sick leave after 90 days probation period with the Employer, at the rate of one-half (1/2) day (i.e. four (4) hours or four) per qualifying month. A qualifying month will be one in which the employee works one hundred and twenty-five (125) hours of paid time (including vacation and General Holidays) in a calendar month. After accumulating one (1) or more days sick leave, payment will be made commencing on the first full day of illness on which the employee would otherwise be working and will continue for each day until the employee uses up his sick leave, qualifies for weekly indemnity or until he is able to return to work, whichever occurs first.

34.02 Accumulated Sick Leave:

- (a) The Company will hold a minimum of forty-eight (48) hours in the employee's hour credit bank. At the end of each calendar year, every employee shall be entitled to redeem sick time in excess of forty-eight (48) hours by one of the following options:
 - (i) Payment in a lump sum on the last pay period in March of the following year;
 - (ii) Payment in conjunction with their vacation pay at vacation time, or
 - (iii) Award of equivalent vacation days at the time of receiving vacation,

- (b) Accrued sick leave forms will be provided once a year to union employees to indicate their preference.
 - (c) Sick days booked off as vacation time shall be taken in a block and awarded:
 - (i) In any month except May, June, July, August or December;
 - (ii) Subject to scheduling needs of the Company's operation; and
 - (iii) Subsequent to any regular vacation requests.
 - (d) Pay-outs will be made by separate cheque.
 - (e) When an employee terminates for any reason, the employer will pay all the accumulated sick hours credited in the employee's hour bank.
- 34.03 It shall be the responsibility of the employee to claim for accredited sick leave.
- 34.04 Any abuse of the sick leave provisions will result in the immediate discharge of the employee.
- 34.05 An employee who is persistently or habitually absent from work on excuse of illness or sickness, may be required to submit to a medical examination by a doctor designated by the Employer. Where such examination does not provide justifiable medical grounds for such absences, the Employer may give the employee a written warning. In the event such absences continue after the written warning, the Employer may discharge the employee.
- 34.06 Where an employee is declared by a doctor to be physically able and capable of resuming his employment, the employee is obligated to immediately return to work. In the event that the employee fails to return to work following such declaration, the Employer may deem the continuing absence to be a voluntary termination of employment by the employee.
- 34.07 When an employee is absent from work due to illness, sickness or accident, the employee shall make every reasonable effort to notify his immediate supervisor as early in the day as possible.

ARTICLE 35 - HEALTH AND WELFARE PLAN

- 35.01 Regular employees shall be covered by a company paid Health and Welfare Plan commencing on the first day of the calendar month following completion of ninety (90) days of employment with the Employer.
- 35.02 Notwithstanding the above, if a new employee was a participant within the previous ninety (90) day period in a comparable Health and Welfare Plan of another company which is a party to an agreement identical to this Agreement, the Employer shall then arrange for that employee to join the health and Welfare Plan effective the day he is hired.
- 35.03 The Plan shall provide the following benefits:
- (a) **Group Insurance** providing the following minimum coverage:
 - (i) Life insurance coverage in the sum of \$45,000 covering death from any cause.

- (ii) Accidental death and dismemberment coverage for loss within ninety (90) days of an accident of life, limb or sight according to the following schedule:

Jan. 1, 1996

Loss of Life	\$45,000
Loss of both hands or both feet or sight of both eyes	\$40,000
Loss of one hand and one foot	\$40,000
Loss of one hand and sight of one eye	\$40,000
Loss of one foot and sight of one eye	\$40,000
Loss of one hand or one foot or sight of one eye	\$25,000

- (iii) Non-occupational weekly indemnity coverage equal to the current Employment Insurance Commission rate per week for regular full-time employees, commencing on the first day of necessary absence from work due to accident and the fourth day of necessary absence from work due to sickness, continuing for a maximum of fifty-two (52) weeks during any period of disability. Period of disability from the same cause shall be considered as separate periods of disability providing they are separated by a return to active employment with the company for at least two (2) weeks.

(b) Long Term Disability

- (i) If at the expiration of the fifty-two (52) weeks allowable for weekly indemnity, the employee is considered totally disabled, he shall then be subject to Long Term Disability Benefits so long as the disability continues or until the employee reaches age sixty-five (65).

An employee shall be deemed to be totally disabled, or total disability shall be deemed to exist, when the employee is suffering from such a state of bodily or mental incapacity resulting from injury or disease as would wholly prevent the employee from engaging in any employment for which the employee is reasonably qualified by education, training or experience.

- (ii) In the case of long term disability as outlined above, payment during such disablement shall be in the amount of one thousand seven hundred and fifty dollars (\$1,750.00) per month exclusive of Canada Pension Plan benefits.

(c) Basic Medical Plan

Medical, surgical and obstetrical coverage in accordance with the standard plan of service provided by Yukon Medical Service Association for eligible employees and their dependents.

(d) Drug Plan

Drug plan to cover drugs and medicines required by a physician's prescription, excluding drugs used for contraceptive purposes. A twenty-five dollar (\$25.00) deductible is to apply annually with the Plan paying one hundred percent (100%). The twenty-five dollars (\$25.00) is to apply annually in any twelve (12) month period.

(e) Dental Plan

- (i) One hundred percent (100%) coverage of Basic Plan "A" for the employee.

- (ii) One Hundred percent (100%) coverage of Basic Plan "A" for the employee's spouse and dependent children one (1) to twenty-five (25) years inclusive if attending school or mentally infirm or depending on the employee for support
- (iii) Fifty percent (50%) coverage of Basic Plan "B" for the employee, spouse and dependent children one (1) to twenty-five (25) years inclusive if attending school or mentally infirm or depending on the employee for support.
The above dental coverage to have a maximum of one thousand five hundred dollars (\$1,500.00) per year for each person covered. The fee schedule for payment on dental claims will be that established by the Association of Dentists in the Yukon Territory.

(9) Eye Wear Plan

Upon completion of one year's service employees and their dependents will qualify for prescription eyewear coverage. Such coverage will be for an amount up to three hundred and fifty dollars (\$350.00) once every two years for each employee and dependent. A receipt for the eyewear must be provided before payment is made. The cost of eye examinations shall be in addition to the eyewear coverage benefit, when a receipt is provided to the Company. (Coverage for sunglasses shall be limited to \$100.00 per year).

35.04 Coverage for benefits under the Health and Welfare Plan will remain in force for the whole of any calendar month during which the eligible employee is actively employed and receives wages from the Employer for all or part thereof, whether or not the employee remains in the active employment of the Employer for the balance of that calendar month. Active employment will not be deemed to be interrupted by temporary absences due to annual vacation or General Holidays.

35.05 When an employee goes off work ill, or on Workers' Compensation, or a grievance is invoked on his discharge, the Employer shall continue to pay both his welfare fees and Union dues so that the employee shall be protected to the utmost, provided:

- (a) The employee reimburses the Employer for such contributions normally paid by said employee and is at no time five (5) or more months in arrears; and
- (b) The period of such coverage shall exceed twelve (12) months only by mutual agreement of the two parties.

In the event of any employee grievance being rejected, all monies paid by the Employer under this Article, including the total premium, shall be paid to the Employer by the employee.

When an employee returns to work, the Employer shall deduct from his earnings any monies the Employer has paid out in respect of his contributions.

In the event that an employee does not return to work and the employee refuses or neglects on demand at his last known address to make restitution for such monies paid out, the Union shall then reimburse the Employer for said amount up to a total of five (5) months.

35.06 It shall be the Employer's responsibility to provide to eligible employees the necessary application forms for coverage under the Health and Welfare Plans.

- 35.07 It shall be the employee's responsibility to arrange to have the necessary forms completed and remitted to the Employer in order that they can be processed.
- 35.08 For purposes of the Health and Welfare Plan, a common-law spouse will be deemed to be a dependent of an eligible employee commencing one (1) year after the date on which the employee first notifies the Employer of his common-law relationship. The employee is also required to notify the Employer forthwith following the dissolution of his common-law relationship so that the spouse's coverage under the Health and Welfare Plan can be cancelled.
- 35.09 Subject to the specific provisions stated herein, all benefit plan coverages, terms, conditions and specific eligibility requirements with regard to group life insurance, accidental death and dismemberment insurance, weekly indemnity coverage, long term disability coverage, medical and dental plan coverage, and drug plan coverage, shall at all times be covered by the actual terms and conditions of the contracts issued by the insurance carrier(s). In the event that the employer pursues action against an insurance carrier regarding a claim for benefits, the impacted employee agrees to cooperate with the employer and/or the employer's legal counsel; if the employee refuses to cooperate, the employee agrees that the insurance carrier(s) shall be exclusively liable for benefits under all insured coverages and releases the employer of any responsibility. The benefit plan descriptions contained in this Agreement are provided only for the purpose of general information.
- 35.10 It is understood and agreed that it is the responsibility of each employee to be familiar with the specific details of coverage and eligibility requirements of all benefit plans and that neither the Union nor the Employer has any direct responsibility for ensuring that all requirements for eligibility or conditions of coverage or entitlement to benefits are made by the employee beyond the obligations specifically stipulated in this Agreement.

ARTICLE 36 - PENSION PLAN

- 36.01 The Employer Pension Plan presently in effect for employees covered by the Collective Agreement shall, as provided for the Employer effective June 1, 1995, remain in effect.
- 36.02 Participation in the Pension Plan shall be mandatory following the completion of one year's employment.
- 36.03 Employees shall enter the Pension Plan on the first open enrollment date following one (1) year of employment.
- 36.04 Travel allowances shall be considered pensionable earnings.

ARTICLE 37 - GENERAL HOLIDAYS

- 37.01 Subject to the eligibility provisions set out hereunder, the following days shall be recognized as paid General Holidays:

New Year's Day
Good Friday
Victoria Day
Canada Day
Discovery Day
Rendezvous Friday

Labour Day
Thanksgiving Day
Remembrance Day
Christmas Day
Boxing Day

and any other days as may be proclaimed a holiday by the Federal Government or, Yukon Territorial Government. Exceptions to the Statutory Holidays named above will be as follows:

37.02 Eligibility Requirements

To be eligible to receive pay for a General Holiday, an employee must have worked and received wages from the Employer in that calendar month in which the General Holiday occurs and must work and receive wages from the Employer during the calendar month following the month in which the General Holiday occurred.

37.03 No employee shall be entitled to be paid for a General Holiday if he is assigned to work and does not work on such holiday without prior permission to be absent from work on that day.

37.04 Subject to Article 36.02 employees who are on layoff, workers' compensation, or short term or long term disability shall not receive pay for holiday(s) which occur during their absence(s).

Employees on unpaid leave of absence shall not be entitled to General Holiday pay for any holiday which falls during such leave.

37.05 General Holiday Payments for Eligible Employees

Line drivers shall be paid nine (9) hours per day.

37.06 Payment for Work Performed on a General Holiday

In the event a regular full-time employee is required to work on a General Holiday he shall receive time and one-half (1-1/2) for each hour worked, with a minimum of four(4) hours, in addition to the rate of pay as prescribed for the holiday if he is eligible for such holiday pay. For hours worked in excess of eight (8), he shall be paid two (2) times the straight time rate. Upon request, he shall also be entitled to one day off without pay, such day to be taken within thirty (30) days and in conjunction with his regular days off, where applicable.

37.07 Where a day that is a designated General Holiday for an eligible regular employee falls within his vacation period, the holiday shall not count as a day of vacation leave and the employee shall be entitled to an extra day of vacation with pay in conjunction with his vacation leave.

37.08 Travel Allowance

After each year of continuous employment with the employer, all employees shall be entitled annually to a travel allowance in the amount of two thousand one hundred (\$2,100.00) dollars.

Employees residing in Watson Lake or Dawson City shall be compensated at the rate of one hundred and fifty (\$150.00) dollars per year in recognition of the extra travel to Whitehorse for flights.

After ninety days probationary employment with the employer, employees shall be entitled to a pro-rated travel allowance. Pro-rated travel allowance shall be calculated using the yearly travel allowance divided by twelve, times the number of months worked.

For the purposes of this article "actively employed" means hours worked, paid holidays and paid leave of absence. Absence due to accident or proven illness shall be counted as hours worked up to a maximum of 1,000 hours.

This allowance will be paid on the first Monday of May in each year based on the employee's service in the preceding calendar year.

ARTICLE 38 - VACATION

38.01 An employee is entitled to take vacation leave with pay, provided the employee has earned vacation leave credits in accordance with this Article.

38.02 An employee shall earn vacation leave credits in the following amounts for each completed year of service, based on the calendar year commencing January 1 and ending on December 31:

Year	Credit Earned	Vacation Pay (Incl.) Percentage
First and Second	Two (2) Weeks	Four (4%) Percent
Third to Ninth	Three (3) Weeks	Six (6%) Percent
Tenth to Fourteenth	Four (4) Weeks	Eight (8%) Percent
Fifteenth and Subsequent	Five (5) Weeks	Ten (10%) Percent

38.03 Vacation pay shall be calculated at the applicable vacation percentage above. The applicable percentage shall be applied to the total wages earned in the year in which the vacation leave credit was earned.

38.04 For regular full-time employees only, vacation pay for each completed full year of service shall be the greater of:

- (a) the percentage calculation in Article 38.02; or
- (b) the number of hours that the regular full-time employee would have normally worked during that period in which the employee takes vacation leave credit times the hourly rate in effect at the end of the completed year of service in which the vacation leave credit was earned.

38.05 An employee shall be entitled to take vacation with pay only after the necessary vacation leave credit has been earned. Vacation taken must be in periods of not less than one (1) week. Once a year an employee must make his selection to either

- be paid in conjunction with his normal pay or be paid three (3) days prior to his vacation leave. This option cannot be changed once the selection is made and it is applicable for the entire year. Where the outstanding balance of an employee's vacation entitlement is less than one week the one (1) week minimum will be waived to allow the employee to use up his entitlement without penalty.
- 38.06 A year of service is defined as that period of time in which the employee has been actively employed for at least fifteen hundred (1,500) hours or more in a calendar year ending December 31. No employee shall be entitled to accumulate more than one (1) year of service in any three hundred and sixty-five (365) day period {or three hundred and sixty-six (366) days in anniversary years where February has twenty-nine (29) days}.
- 38.07 An employee who has not been actively employed for at least fifteen hundred (1,500) hours or more during any calendar year shall have his vacation leave credit and vacation pay based on the percentage that his total hours of active employment represent compared to a base of two thousand and eighty (2,080) hours. For purposes of this Article, "actively employed" means hours worked, paid holidays and paid leaves of absence. Absence by reason of accident or proven illness shall be counted as hours worked up to a maximum of five hundred (500) hours.
- 38.08 In any calendar year where an employee has not qualified for a full vacation as a result of accident or proven illness, he will still be credited with a year of service to determine future vacations.
- 38.09 The time of vacation shall be fixed by the Employer consistent with the maintenance of efficient office operations. Preference of vacation time shall be given to senior employees. Senior employees may only exercise their seniority for selection once a calendar year.
- 38.10 Vacation lists shall be posted on the first working day of January of each year and employees shall designate their choice of vacation time before February 28. The Employer shall post the final vacation schedule by April 1 and it shall remain posted for the balance of the year. Once vacation periods are established, they shall not be changed except where mutually agreed by the Employer and the individual employee.
- 38.11 Unless the Employer and the individual employee otherwise mutually agree, every employee shall be notified at least two (2) weeks prior to being required to take a vacation period.
- 38.12 All vacation leave credits earned must be booked before the expiry of ten (10) months from the vacation entitlement date. In the event the employee has not booked vacation leave credits by that date, the Employer will inform the employee when he will be taking a vacation. The date that the vacation accrued for any year of service is entitled to be taken is one day after the end of that year of service.

- 38.13 Subject to Article 30.01 vacation leave credits earned must be used before any unpaid leave of absence will be granted by the Employer. However, the Employer may grant an unpaid leave of absence to an employee during his first year of employment when he has not yet earned vacation leave credits.
- 38.14 Any employee who accepts gainful employment while on paid vacation shall be deemed to have voluntarily resigned his employment with the Employer.
- 38.15 In the event that an employee terminates his employment with the Employer, he shall receive four (4) percent, six (6) percent, eight (8) percent, or ten (10) percent, as the case may be of his pay for the period for which he has not already received payment.

ARTICLE 39 - GRIEVANCE PROCEDURE

39.01 All questions, disputes and controversies arising under this Agreement or any supplement hereto shall be adjusted and settled within the terms and conditions as set forth in this Agreement in the manner provided by this Article unless otherwise expressly provided in this Agreement.

39.02 The procedure for the adjustment and settlement of such grievances shall be as follows:

STEP 1 Any grievance of an employee shall first be taken up between such employee and his immediate supervisor. Time limit to institute grievance:

- (a) Termination or Layoff: Ten (10) calendar days.
- (b) All Others: Thirty (30) calendar days.

However, such employee will be entitled to be accompanied by a Shop Steward or a Union representative.

STEP 2 Failing settlement under Step 1, such grievance shall be taken up between representatives of the Local Union and the immediate supervisor.

STEP 3 Failing settlement under Step 2, the matter will be taken up in presentation to a board consisting of two (2) Union members appointed by the Union and two (2) representatives appointed by the Employer.

STEP 4 Failing settlement under the above Steps, the matter will be referred to an agreed upon neutral person to act as an arbitrator who will meet with the parties to hear both sides of the case. Failing to agree upon a neutral person, the Federal Ministry of Labour will be requested to appoint a neutral arbitrator. The Arbitrator shall be required to hand down his decision within fourteen (14) calendar days following completion of the hearing and his decision shall be final and binding on the two parties to the dispute.

ARTICLE 40 - OPPORTUNITIES FOR UPGRADING

40.01 If the Employer requests the driver to upgrade his license, the appropriate equipment will be provided for test purposes and driver will receive his regular rate of pay during the test period.

40.02 If a driver requests appropriate equipment for test purposes to upgrade his license or for license renewal, it shall be provided by the Employer when available and when the completion of such licensing is beneficial to the Company.

40.03 Costs related to opportunities for improving a regular employee's training will be paid by the Company, for programs up to thirty days in duration. Employer payment for training will generally be offered on the basis of seniority, subject to the Employer's business requirements. Where opportunities will not be extended in order of seniority, the matter will be discussed with the Union before a final decision is reached.

ARTICLE 41 - GENERAL AND MISCELLANEOUS PROVISIONS

- 41.01 The employer will provide a bulletin board in each lunchroom for the posting of such notices as the Union or Employer may from time to time wish to post. The said Union notices shall be posted and signed by an elected or appointed officer or other authorized representative of the Union.
- 41.02 The Employer agrees to maintain adequate lunchrooms and sanitary washrooms having hot and cold running water and toilet facilities at the office locations. The Employer shall not be responsible for personal belongings on company premises.
- 41.03 It shall be the responsibility of employees to use lunchroom and washroom facilities carefully and considerately in order to keep them in a clean and tidy condition and free from unnecessary damage insofar as may be possible with normal usage.
- 41.04 Each employee must ensure the Employer is provided with his current address E-Mail address and telephone number, and any changes thereto as soon as they occur. The employee shall also provide current personal information required for the purpose of benefit plans provided for in this Agreement.
- 41.05 All employees/Union members shall receive a copy of this Agreement which is binding upon the bargaining authority and every employee in the unit for which the Union has been certified.

ARTICLE 42 -VALIDITY OF ARTICLES

- 42.01 If any Article or section of this Agreement or if any supplements hereto should be held invalid by operation of law or by any tribunal pending a final determination as to its validity, the remainder of this Agreement and any supplements thereto, or the application of such Article or section to persons or circumstances other than those as to which it has been held invalid, or as to which compliance with or enforcement of has been restrained, shall not be affected thereby.

ARTICLE 43 - DURATION OF AGREEMENT

43.01 This Agreement shall be in full force and effect from January 1, 2007 and will continue in full force and effect through December 31, 2009 and from year to year thereafter except as hereinafter provided.

43.02 If a renewal or revision of the Agreement, or a new Agreement has not been completed before the expiry of the term of, or the termination of this Agreement, then this Agreement shall remain in full force and effect until a renewal or revision of the Agreement, or a new Agreement has been concluded or until a legal strike or lock-out commences, whichever occurs soonest.

SIGNED THIS day of December, 2006.

FOR THE COMPANY:

Sharon Ness
General Manager, North 60 Petro Ltd.

FOR THE UNION:

Jure Kelava, Business Rep.
Teamsters Union Local 31

Ralph Sembsmoen

Patrick O'Hagen

Pat Perry

APPENDIX "A" - SEVERANCE CLAUSE

- (a) In the event that employees with two (2) or more years of continuous service are terminated from their employment due to the complete and permanent closure of their division a severance payment will be made of one week's pay per complete year of service, commencing from date of employment. Payment shall be at the prevailing rates at the time of closure.
- (b) Divisions mentioned above are defined as:
 - Highway Division
 - Petroleum Division
 - Office Division
- (c) For purposes of this provision, a "complete year of service" means a minimum of fifteen hundred (1,500) hours of active employment during each year calculated from the employee's personal anniversary date. "Active employment" means straight time hours worked, paid General Holidays and vacation, paid leaves of absence, and absences due to accident or proven illness up to a maximum of five hundred (500) hours during each year of service.

Employees who have completed more than one (1) but less than two (2) years of continuous service shall be paid two (2) days' regular pay.

APPENDIX "B" - RATES OF PAY

I. DRIVERS

Section A Mileage Rates and Hourly Work Time

<u>Single man operations</u>	Jan12007	Jan/2008	Jan12009
Mileage (cents per mile)	.53	.54	.55
Work Time	23.95	24.67	25.41

While operating combination units, drivers will be paid one-half (1/2) cent per mile above the foregoing mileage rates. A "combination unit" is defined as a tractor and two (2) or more trailers, or, a truck with pup trailer. Dromedary equipped units are not considered as combination units.

When operating units having in excess of seven (7) axles the driver will receive one-half (1/2) cent per load bearing axle above the foregoing mileage rates, however, it is understood that when receiving mileage premiums for the number of axles in the unit the combination premium will not apply.

Hourly Rates - For a line haul driver when out of Whitehorse area doing home deliveries as follows:

Work Time	Jan/2007	Jan/2008	Jan/2009
	25.95	26.67	27.41

Section B

SUBSISTENCE Six (6) cents per mile

Section C

(1) SLEEPER TEAMS

Sleeper teams when required and authorized to purchase hotel or motel accommodations at points where the Employer does not maintain a Terminal, will be reimbursed for the reasonable cost of such rooms upon presentation of a receipt to the Employer.

At Terminal points where sleeper teams are placed on layover or are required to wait for schedules that require them to have sleeping accommodation, the Employer reserves the right to designate hotel or motel accommodations and will provide transportation to and from such accommodation. Cost of such accommodation will be borne by the Employer.

(2) SINGLE MAN OPERATIONS

Single man drivers when required and authorized to purchase hotel or motel accommodations at points where the Employer does not maintain a Terminal, will be reimbursed for the reasonable cost of such rooms upon presentation of a receipt to the Employer.

At Terminal points where single man drivers are placed on layover or rest, the Employer reserves the right to designate hotel or motel accommodations and will provide transportation to and from such accommodation. Cost of such accommodation will be borne by the Employer.

(3) When a driver is required to remain at point away from his home terminal in excess of his initial layover (eighteen (18) hours), or, in excess of his normal eight (8) hour rest period, or in excess of his normal eight (8) hour wait period, the Employer shall then pay such reasonable expenses as may be incurred for meals and room if properly supported by voucher or receipt.

(4) When a driver is required to layover because of breakdown or road block, all reasonable lodging and meals shall be paid for by the Employer if properly supported by voucher or receipt.

APPENDIX "C" – Card Lock Accounts

Card Lock accounts shall be provided for all employees as follows:

- All fuel at posted rate less seven (.07) cents per litre.
- Credit Terms are NET 30 days from date of purchase. All employees shall sign a letter granting the Employer permission to deduct as a payroll deduction all amounts over thirty days.

APPENDIX "D" - SPECIAL PROVISIONS FOR EMPLOYEES ON THE SENIORITY LIST AS AT MAY 10, 1984

All employees named in Article IV hereunder will retain entitlement to the following provisions.

- I On completion of each five (5) calendar years of service with the company, employees shall be entitled to one (1) week additional paid vacation over and above their normal entitlement. Pay for the week shall be based on two (2) percent of his earnings for the prior calendar year.
- II An employee shall be entitled to a maximum of two (2) weeks additional vacation leave without pay in conjunction with his annual vacation leave during the period of June 1st to September 30th and up to a maximum of three (3) weeks additional vacation leave without pay during the period of October 1st to May 31st. General Holidays falling within the period of such leave of absence will not be paid.
- III Employees absent due to sickness or accident shall continue to be paid for General Holidays up to a maximum of fifty-two (52) weeks.

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